



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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AGRICULTURAL FAIR ASSOCIATION EXEMPTION

Issued November 18, 1966

A Business Tax exemption was granted nonprofit agricultural fairs effective August 6, 1965. This is provided by RCW 82.04.335

to any business of any bona fide agricultural fair, if no part of the net earnings therefrom inures to the benefit of any stockholder or member of the association conducting the same: Provided, That any amount paid for admission to any exhibit, grandstand, entertainment, or other feature conducted within the fair grounds by others shall be taxable under the provisions of this chapter, except as otherwise provided by law."

The following guidelines are given to show the scope of this exemption:

1. The exemption is allowable only for the periods of time the fair is in progress; that is, the dates advertised as being open to the public. Thus, when the fair is not in operation, gross receipts from rentals of space within the fair grounds for rodeos, exhibits, storage, etc., are subject to the tax provided such income exceeds \$300.00 per month.
2. Exemption is allowable to the gross income from operation of an agricultural fair, but not from any other source.
3. The exemption is extended only to Business Tax and thus a fair association is not relieved from responsibility of collection of Retail Sales Tax if retail sales are regularly made either in connection with the fair or otherwise.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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4. No exemption is allowable prior to August 6, 1965.

5. The Tax Commission should be supplied with the names and gross receipts of concessionaires. (Some associations have made compliance with tax requirements a condition for operation within the fair grounds.)

EXAMPLES

BUSINESS TAX EXEMPTIONS ARE: General admission and grandstand receipts; advertising income in premium books and programs when distributed free of charge; cook house, carnival, concession, stall fees, check room, auto parking rentals and charges.

RETAIL SALES TAX COLLECTIBLE ON: Auto parking; sale of premium and program books; sale of hay, straw, and other items to participants, sales of other items at retail.

RETAIL SALES TAX OR USE TAX TO BE PAID ON: Purchase of ribbons, trophies, medals, badges, tags, signs, advertising material, banners, pictures, stickers, meat, bread, dairy products, hay, straw, lumber, roofing, painting and carpentry labor, electrical material, fencing, starting gate, and installation of light and power. (Letter.)